

Message Text

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PAGE 01 BRUSSE 09064 111716Z
ACTION SS-25

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C O N F I D E N T I A L BRUSSELS 09064

EXDIS

PARIS FOR USOECD; ALSO FOR USEC

E.O. 11652: XGDS-1
TAGS: EFIN, US, BE
SUBJECT: TINDEMANS ELABORATES ON HIS CRITICISMS OF U.S.
MONETARY POLICY

REF: (A) BRUSSELS 8876; (B) BRUSSELS 9063;
(C) BRUSSELS 9062 (NOTAL)

1. SUMMARY: PRIME MINISTER TINDEMANS EXPRESSES PERSONAL
CONCERN THAT AMERICANS DO NOT APPRECIATE THE SERIOUSNESS
OF THE WORLD MONETARY DISORDER AND THEIR STAKE IN THE
ISSUE. HE SUSPECTS CHANCELLOR SCHMIDT'S INITIATIVE AT
THE COPENHAGEN SUMMIT WAS PRIMARILY DESIGNED TO FOCUS
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HIGH-LEVEL ATTENTION ON THE ISSUE. TINDEMANS INTENDS TO
SPEAK FORCEFULLY ON THE MATTER, IN THE CONTEXT OF WHAT HE
PERCEIVES AS THREAT TO THE US-EUROPE RELATIONSHIP, AT THE
SUMMER SUMMITS. END SUMMARY.

2. IN THE COURSE OF A CALL ON HIM MAY 11 ON OTHER
MATTERS, PRIME MINISTER TINDEMANS ELABORATED FOR US HIS
THINKING ON US ENERGY AND MONETARY POLICIES AND HIS FEELING

OF URGENCY THAT EUROPEAN AND US LEADERS COMMENCE A SOBER SEARCH FOR A BASIS TO BRING POLICY IN THESE AREAS INTO HARMONY. TINDEMANS SAID THAT HIS MOST URGENT PREOCCUPATION WAS WITH MONETARY POLICY--A SUBJECT, HE SAID, WHICH DID NOT APPEAR TO STIR MUCH INTEREST IN HIS INTERLOCUTORS DURING THE PRIME MINISTER'S RECENT VISIT TO NEW YORK (REFTELS (A) AND (B)).

3. TINDEMANS SAID HE CONSIDERS IT CRITICALLY NECESSARY THAT THE US AND EUROPE RE-CREATE A VIABLE MONETARY SYSTEM. AS IT STANDS NOW, HE SAID, THE US IS CONTINUING TO EXPORT VAST QUANTITIES OF DOLLARS, ADDING TO THE "HUNDREDS OF BILLIONS ALREADY HANGING OVER US LIKE A CLOUD ABOUT TO BURST." TINDEMANS SAID THAT, IF THE PRESENT CONDITIONS ARE ALLOWED TO PERSIST, "WE ARE IN DANGER OF A MONETARY AND THEN ECONOMIC DISASTER."

4. HE SAID HE FOUND IN NEW YORK FEW SIGNS THAT AMERICANS PERCEIVE THE DANGER. OFTEN THEY SUGGESTED TO HIM THAT EUROPEANS OUGHT TO GET TOGETHER AND SOLVE EUROPEAN MONETARY PROBLEMS ON THEIR OWN. "THEY SEEM TO HAVE LITTLE UNDERSTANDING OF WHAT A PARALLEL OR RIVAL EUROPEAN MONETARY SYSTEM WOULD IMPLY FOR WORLD TRADE AND ECONOMIC COOPERATION," HE SAID. "CAN YOU IMAGINE WHAT WOULD HAPPEN IF THE OPEC SUDDENLY DEMANDED TO BE PAID IN MARKS NEXT MONTH?"

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5. TINDEMANS DIGRESSED TO REMARK THAT HE LEFT THE COPENHAGEN SUMMIT LAST MONTH UNCERTAIN WHETHER CHANCELLOR SCHMIDT HAD ADVANCED HIS IDEA OF A NEW EUROPEAN MONETARY SYSTEM AS A CONSIDERED PROPOSAL OR SIMPLY AS A WAY TO STIMULATE THINKING AND DISCUSSION OF THE PROBLEM. HE SAID HE AND, LATER, BELGIAN CENTRAL BANKERS HAD SOUGHT WITHOUT SUCCESS TO ELICIT DETAILS FROM SCHMIDT AND HIS ASSOCIATES. BUNDESBANK PRESIDENT EMMINGER HAD CONFIDED THAT HE KNEW NOTHING ABOUT THE SCHMIDT INITIATIVE, TINDEMANS SAID, GIVING HIM (TINDEMANS) TO BELIEVE THAT SCHMIDT'S HAD NOT BEEN A THOROUGHLY PREPARED INITIATIVE. NEVER MIND, SAID TINDEMANS, IF SCHMIDT HAD ONLY THE LIMITED PURPOSE OF STIRRING SERIOUS THINKING ON THE MONETARY CRISIS, THAT WAS IN ITSELF A GOOD THING.

6. TINDEMANS SAID THAT HE SPOKE UP IN NEW YORK AND ON HIS RETURN HERE FOR THE VERY PURPOSE OF FOCUSING THE ATTENTION OF DECISION-MAKERS ON THE MONETARY AND ENERGY ISSUES. HE SAID HE DID SO NOT IN THE SPIRIT OF CRITICIZING US POLICY BUT OUT OF A SENSE OF FOREBODING THAT THE ATLANTIC RELATIONSHIP, WHICH IS THE FOUNDATION CONCEPT OF HIS

PERSONAL POLITICAL WORLD VIEW, IS IN DANGER. HE SAID HE
WAS HOPEFUL THAT THIS COMPLEX OF ISSUES WOULD BE WELL
DISCUSSED AT THE SUMMER SUMMITS. ASKED IF HE INTENDED TO
SPEAK UP HIMSELF, HE REPLIED, "I CERTAINLY WILL."
CHAMBERS

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